Honolulu, Hawaii February 28, 2014

RE: H.B. No. 2000 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2000 entitled:

"A BILL FOR AN ACT RELATING TO TAX RELIEF,"

begs leave to report as follows:

The purpose of this measure is to amend the state income tax law to make the following Internal Revenue Code provisions fully operative in this State:

- (1) Section 172 (with respect to net operating loss deductions); and
- (2) Section 179 (with respect to the election to expense certain depreciable business assets).

The Department of Taxation provided testimony in opposition to this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, for the purpose of facilitating further discussion; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2000, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

CVIVIA LINE Chair

State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 692-14-

## **Record of Votes of the Committee on Finance**

Bill/Resolution No.:  HB 2000	Committee Referral: FIN		Date: 2/26/2014	
☐ The committee is reconsidering its previous	ious decision on the measure.			
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.				
5. HASHEM, Mark J.				
6. ING, Kaniela				
7. JORDAN, Jo				
8. KOBAYASHI, Bertrand		<b>/</b> .	25,	
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee		n per de la la casa de	Table 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
11. ONISHI, Richard H.K.		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
12. TAKAYAMA, Gregg				
13. TOKIOKA, James Kunane				
14. WOODSON, Justin H.		E Markey		
15. YAMASHITA, Kyle T.				
16. FUKUMOTO, Beth	of season was the for between the cover of the cold			
17. WARD, Gene				
TOTAL (17)		4		2
The recommendation is: Adop	•	did not suppo	ort recommendation	ì.
Vice Chair's or designee's signature:	7			
Distribution: Original (White) – Commit	tee Duplicate (Yellow) -	Chief Clerk's Office	e Duplicate (F	ink) – HMSO